

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

1201 NORTH MARKET STREET
P.O. Box 1347
WILMINGTON, DELAWARE 19899-1347

302 658 9200
302 658 3989 FAX

WILLIAM H. SUDELL, JR.
302 351 9284
302 425 4685 FAX
wsudell@mnat.com

May 22, 2006

U.S. DISTRICT COURT
DISTRICT OF DELAWARE
FILED
2006 MAY 22 PM 2:05

VIA HAND-DELIVERY:

Ms. Monica Mosley
Secretary to the Clerk of Court
United States District Court
District of Delaware
U.S. Courthouse
844 King Street, Lockbox 18
Wilmington, DE 19801

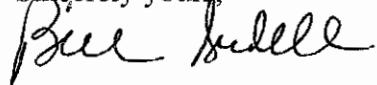
Re: In Re: Garden Ridge Corp. (*Daniel Ferguson v. Garden Ridge Corp.*), Civil Action No. 06-213 (GMS)

Dear Ms. Mosley:

I write to report that mediation in the referenced appeal was held in my offices on May 19, 2006. Both parties and their counsel participated in the mediation, but it ended without a resolution of the appeal. Therefore, the appeal should continue in the ordinary course.

If you have any questions concerning any of the above, please do not hesitate to contact me.

Sincerely yours,



William H. Sudell, Jr.

WHS/clh

cc: William D. Sullivan, Esquire (via fax)
Joseph M. Barry, Esquire (via fax)